

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

916) 924-2836



January 10, 1983

## ALL-COUNTY INFORMATION NOTICE I-05-83

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INTEGRATED EARNINGS CLEARANCE SYSTEM/FRAUD DETECTION SYSTEM

## REFERENCE:

Effective January 1, 1983, USDA Regulation 7CFR273.2(f)(9) mandates wage matching in the Food Stamp program. Additionally, the 1982 amendments to the Food Stamp Act of 1977 mandate a check for duplicate participation in the food stamp program and mandate a cross-check of food stamp participants with SSI-SSP recipients to identify SSI-SSP recipients receiving food stamps. The purpose of this Information Notice is to alert the counties to these forthcoming changes and to provide information on proposed state and county procedures to be implemented for compliance.

To accomplish these wage matching/fraud detection requirements, SDSS must establish a central, statewide data base of food stamp recipients. Because approximately 70% of the AFDC cases are also PAFS cases, and to eliminate the dependency on the Department of Health Services (DHS) for AFDC caseload information, SDSS plans to expand this centralized data base to all AFDC and food stamp cases. This is necessary due to the fact that the DHS automated files do not accommodate the new system requirements pertaining to earnings data.

To create this central file, counties will be required to submit caseload information on a quarterly basis. This information will consist of all persons in active AFDC and/or food stamp cases during the quarter and will consist of at least the following data elements:

- Welfare Case Identification Number
- Social Security Number
- Name, Sex, Date of Birth
- Address
- Gross Earned Income (by person or by case)
- Type of Benefits Received (AFDC and/or Food Stamps)
- Specific Months on Aid During Quarter

Counties with automated welfare data bases will be required to submit caseload information on computer tape. Other counties will be required to submit information on forms. Caseload information will be due to SDSS within 60 days after the end of each quarter. However, to provide lead time for implementation, the first quarter data (January-March 1983) will not be due until July 1, 1983.

SDSS will be using this AFDC/FS data base to operate an integrated fraud detection system. This fraud system will contain wage matching (Earnings Clearance System), duplicate aid matching (intracounty, intercounty, and interstate), and a cross-match with the SSI-SSP files.

The county supplied "gross earned income" data will be used for the wage matching function. An automated discrepancy determination will be made when comparing EDD wage data to recipient reported wage information. Only cases with discrepancies exceeding a certain dollar amount would be returned to the counties.


Implementation of this system for AFDC and FS will have the following benefits:

- . Decreased paperwork at county level for AFDC since only exceptions between recipient-reported income and employer-reported income will be returned to counties. (For counties already doing NAFS ECS, this system should decrease workload for NAFS.)
- . Increased collections in AFDC and FS due to ability to (1) prioritize follow-up, and (2) reduce the time return of data to county and fraud investigation.
- . Identification up-front to counties of cases with likelihood of fraud and recovery.
- . Decreased paperwork from combining into one system, duplicate participation referrals, SSI-SSP match referrals, and wage match exceptions.
- . Decreased paperwork by combining all information on members of a case onto a single print-out.

A combination of the increased efficiency and effectiveness of the system and the increased collections (with county retention of a portion of those collections) will allow counties to operate and follow-up on the system with no increase in total administrative costs during Fiscal Year 1983/84. Implementation costs in Fiscal Year 1982/83 will be reviewed at the end of the fiscal year. Any adjustment will be subject to the availability of funds and other Budget Act limitations.

Additional information and direction will be provided as plans and procedures are finalized. If you have any questions or comments, please call Michael F. Back, Chief of the Fraud Program Management Bureau, at (916) 924-2841.

Sincerely,



JOSEPH A. KELLY  
Deputy Director  
Audit and Review Division

cc: CWDA

INSTRUCTIONS FOR INTERPRETING  
THE REPORT OF RSDI (BEX 040-A)

The first month that the Report of RSDI is provided, it will include all recipients that the Social Security Administration (SSA) shows are receiving RSDI payments. Thereafter, the report will contain: (1) New cases which received RSDI in the new month; (2) Continuing cases which received RSDI payments during the new month, and not in the old month; and (3) Continuing cases with RSDI changes.

Recipients in the following public assistance programs will be covered by the reporting:

Public Assistance Program and aid codes included:

Cash Grant (RCA, ECA, AFDC-FG/U, AFDC-FC)  
01, 07, 08, 30, 32, 33, 35, 38, 39, 40, 42

20% Social Security Increase  
36, 46

In-Home Supportive Services  
18, 28, 68

Medically Needy, No Share of Cost  
14, 24, 34, 44, 64, 65

Medically Needy, Share of Cost  
17, 27, 37, 47, 65, 67

Medically Needy Long-Term Care  
13, 23, 63

Medically Indigent  
04, 45, 82, 83, 84, 85, 88, 89

Medi-Cal Special Treatment Programs  
71, 72, 73, 74

REPORT FORMAT

The following is a listing of report item descriptions. The numbers in parenthesis are keyed to items on the attached sample report. Numbers in parenthesis will not appear on the actual report.

## CASE INFORMATION

- (1) ROUTE: The county uses this information to route the report to the district and worker.
- (2) RUN DATE: Date the report was printed.
- (3) PAGE: RSDI income of all persons in a case will be listed on the report. Each person's income will be shown on a separate page.

- (4) CASE #: Includes aid code and case number.
- (5) CASE NAME: Surname used by the county to identify the case.
- (6) SSN: This is the SSN provided by the recipient.
- (7) CASE STATUS: Whether the case is new or continuing.

#### RSDI BENEFITS

- (8) TYPE OF INCOME: The Report of RSDI may later be expanded to include other types of income. For the time being, only RSDI income will be shown.
- (9) NAME and SEX (as reported by SSA): This refers to the person in the case who is receiving RSDI.
- (10) RECEIVED mm/yy: This is the month and year that the NEW MONTH's check is dated, e.g., 01/83 means that the RSDI check was dated 1/3/83 and should also be received about January 3.
- (11) OLD BENEFIT: What the benefit amount was before it changed.
- (12) NEW BENEFIT: The amount of the RSDI benefit for the most current month reported.
- (13) INITIAL DATE OF ENTITLEMENT: The date the person was first entitled to receive RSDI.
- (14) PAYMENT STATUS CODE: This is the RSDI status of the person in the NEW MONTH. The report will give the meaning of the payment status and communication codes on the "message" lines (16 & 17).
- (15) COMMUNICATION CODE: Indicates whether or not the recipient's SSN and name and date of birth provided by the State matches SSA's information. If the State and SSA records do not match, SSA considers the SSN "invalid". In order to validate records that the report shows as unmatched, refer to current county SSN validation procedures. The following reasons SSA gives for unmatched records may be helpful:

<u>COMMUNICATION CODE</u>	<u>First 6 Letters of Surname</u>	<u>First Letter of Given Name</u>	<u>Date of Birth Month &amp; Year</u>
DOB UNM (Date of Birth Unmatched)	Equal	Equal	Unequal (More than one year off and month doesn't match)
GIV (Given Name) UNM	Equal	Unequal	Unequal
SUR (Surname) UNM	Unequal	Equal	Equal

- (16) COMM-MESSAGE LINE: Explains the Communication Code (15).
- (17) PAY-MESSAGE LINE: Explains the Payment Status Code (14).

STATE OF CALIFORNIA  
DEPT. OF SOCIAL SERVICES  
REPORT BEX040-A

REPORT OF RSDI

(1) ROUTE:XX-XX-XXXX

CO DS EW

(2) RUN DATE XX/XX/XX

(3) PAGE XXXX

(4) CASE# XX-XXXXXXXXXX (5) CASE NAME: XXXXXXXXXXXXXXXXXXXXXXXX  
(6) SSN: XXX-XX-XXXX (7) CASE STATUS: CONTINUING

(8) TYPE  
OF  
INCOME

(10) received mm/yy	(9) RSDI NAME: XXXXXXXXXXXXXXXXXXXXXXXX (11)OLD BENEFIT	(12) NEW BENEFIT	(13) INITIAL DATE OF ENTITLEMENT	(14) PAYMENT STATUS CODE	(15) COMMU- NICATION CODE
	XXX.XX	XXX.XX	XX/XX/XX	XX	XXXXXXXX

(16) COMM-MESSAGE-LINE

(17) PAY-MESSAGE-LINE